



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 JUNE 2014**

1 (a) GROUP INCOME STATEMENT

	Group					
	2Q 2014 30/6/2014	2Q 2013 30/6/2013	Fav / (Unfav)	Half-year 30/6/2014	Half-year 30/6/2013	Fav / (Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	61,614	115,128	(46.5)	133,399	197,037	(32.3)
Cost of sales	(64,527)	(92,761)	30.4	(133,393)	(155,147)	14.0
Gross (loss)/profit	(2,913)	22,367	NA	6	41,890	(100.0)
Other income	48	71	(32.4)	316	125	152.8
General and administrative expenses	(2,606)	(11,431)	77.2	(6,989)	(17,582)	60.2
Interest income	5	6	(16.7)	9	10	(10.0)
Finance costs	(1,069)	(609)	(75.5)	(2,380)	(1,300)	(83.1)
(Loss)/ Profit before tax	(6,535)	10,404	NA	(9,038)	23,143	NA
Taxation	1,275	(1,776)	NA	1,867	(2,993)	NA
Net (loss)/ profit attributable to shareholders of the Company	(5,260)	8,628	NA	(7,171)	20,150	NA

NA - Not Applicable

Profit before tax is arrived at after charging/(crediting):

Loss / (Gain) on disposal of property, plant & equipment	605	(404)	833	(864)
Depreciation	6,902	6,893	13,710	13,556
Provision for doubtful debt	-	5,053	-	5,053

1(b)(i) BALANCE SHEET

	Group		Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	349,939	356,867	-	-
Investment in subsidiaries	-	-	39,026	39,026
Amount due from subsidiaries	-	-	69,832	76,474
Investment in a joint venture	1,025	1,025	-	-
Other investment	140	140	-	-
Trade debtor	3,976	3,976	-	-
	355,080	362,008	108,858	115,500
Current assets				
Steel materials, at cost	63,072	64,373	-	-
Gross amount due from customers for contract work-in-progress	134,020	116,045	-	-
Trade debtors	27,002	35,684	-	-
Sundry debtors and deposits	5,419	5,395	-	1,226
Prepayments	980	2,442	-	22
Cash and bank balances	11,346	14,818	769	623
	241,839	238,757	769	1,871
Current liabilities				
Gross amount due to customers for contract work-in-progress	3,127	3,508	-	-
Trade creditors	68,252	57,453	-	-
Other creditors and accruals	8,822	11,286	279	439
Borrowings	71,290	50,815	-	-
Hire purchase creditors	8,022	8,427	-	-
Provision for taxation	540	245	6	13
	160,053	131,734	285	452
Net current assets	81,786	107,023	484	1,419
Non-current liabilities				
Borrowings	100,307	111,623	-	-
Hire purchase creditors	8,087	11,732	-	-
Deferred taxation	27,243	29,249	-	-
	135,637	152,604	-	-
Net assets	301,229	316,427	109,342	116,919
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	204,850	220,048	12,963	20,540
	301,229	316,427	109,342	116,919

Increase in work-in-progress was due to unbilled work done for some of the on-going projects. Trade debtors decreased due to timing in billing and collection of receivables for on-going projects. Prepayments decreased due to prepaid expenses charged to profit and loss when they were incurred in the quarter.

Trade creditors increased due to timing in progress billings and payment of payables for on-going projects. Decrease in other creditors and accruals was mainly due to settlement of obligations in the quarter. Net borrowings increased due to higher working capital requirements.

1(b)(ii) GROUP BORROWINGS AND DEBT SECURITIES

	As at 30/06/14		As at 31/12/13	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	11,376	67,936	11,709	47,533
Amount repayable after one year	13,394	95,000	18,355	105,000

Details of collateral:

Certain group borrowings (including HP creditors) are secured by way of a fixed charge on certain assets of the Group's principal subsidiaries.

1(c) GROUP CONSOLIDATED CASH FLOW STATEMENT

	2Q 2014 30/06/2014	2Q 2013 30/06/2013	Half-year 30/06/2014	Half-year 30/06/2013
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/ Profit before tax	(6,535)	10,404	(9,038)	23,143
Add/(less):				
Depreciation	6,902	6,893	13,710	13,556
Consumption allowance	1,159	1,764	2,077	2,269
Interest income	(5)	(6)	(9)	(10)
Interest expense	1,069	609	2,380	1,300
Provision for doubtful debt	-	5,053	-	5,053
Write back of impairment of receivable	-	(100)	-	(150)
Loss/(Profit) on disposal of property, plant & equipment	605	(404)	833	(864)
Effects of changes in foreign exchange	316	(434)	(8)	(1,113)
Operating cash flows before changes in working capital	3,511	23,779	9,945	43,184
Increase in steel materials and work-in-progress	(6,946)	(16,857)	(17,186)	(35,442)
Decrease/(Increase) in trade and other debtors	3,998	(15,003)	10,114	(4,214)
(Decrease)/Increase in trade and other creditors	7,907	4,546	8,251	(391)
Cash flows from/(used in) operations	8,470	(3,535)	11,124	3,137
Income tax refund/(paid)	516	(2,332)	190	(2,173)
Interest received	5	6	9	10
Interest paid	(1,069)	(609)	(2,380)	(1,300)
Net cash flows from/(used in) operating activities	7,922	(6,470)	8,943	(326)
Investing activities				
Purchase of property, plant & equipment	(5,585)	(17,125)	(12,101)	(28,775)
Proceeds from disposal of property, plant & equipment	568	3,162	2,359	4,798
Investment in a joint venture	-	-	-	52
Net cash flows used in investing activities	(5,017)	(13,963)	(9,742)	(23,925)
Financing activities				
Dividend paid	(7,601)	(12,640)	(7,601)	(12,640)
Proceeds from borrowings	11,411	79,762	20,530	99,374
Repayment of borrowings	(5,523)	(38,865)	(11,338)	(52,063)
Hire purchase instalments paid	(2,130)	(2,610)	(4,255)	(5,351)
Issuance of ordinary shares	-	645	-	773
Net cash flows (used in)/from financing activities	(3,843)	26,292	(2,664)	30,093
Net (decrease)/increase in cash and cash equivalents	(938)	5,859	(3,463)	5,842
Effect of exchange rate changes on cash and cash equivalents	1	-	(9)	19
Cash and cash equivalents as at beginning of period	12,283	11,164	14,818	11,162
Cash and cash equivalents as at end of period	11,346	17,023	11,346	17,023

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group					
	2Q 2014 30/06/2014	2Q 2013 30/06/2013	Fav/(Unfav)	Half-year 30/06/2014	Half-year 30/06/2013	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit after tax	(5,260)	8,628	NA	(7,171)	20,150	NA
Foreign currency translation	18	203	91.1	(426)	438	NA
Total comprehensive income	(5,242)	8,831	NA	(7,597)	20,588	NA

1(d)(ii) STATEMENT OF CHANGES IN EQUITY

	Share capital \$'000	Capital reserves \$'000	Share option reserves \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total \$'000
GROUP						
Balance at 1 January 2014	96,379	17,411	12,800	(4,381)	194,218	316,427
Total comprehensive income for the period	-	-	-	(444)	(1,911)	(2,355)
Balance at 31 March 2014	96,379	17,411	12,800	(4,825)	192,307	314,072
Total comprehensive income for the period	-	-	-	18	(5,260)	(5,242)
Dividend on ordinary shares	-	-	-	-	(7,601)	(7,601)
Balance at 30 June 2014	96,379	17,411	12,800	(4,807)	179,446	301,229
Balance at 1 January 2013	95,512	17,411	12,800	(3,916)	201,319	323,126
Total comprehensive income for the period	-	-	-	235	11,522	11,757
Issuance of shares	128	-	-	-	-	128
Balance at 31 March 2013	95,640	17,411	12,800	(3,681)	212,841	335,011
Total comprehensive income for the period	-	-	-	203	8,628	8,831
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	645	-	-	-	-	645
Balance at 30 June 2013	96,285	17,411	12,800	(3,478)	208,829	331,847
COMPANY						
Balance at 1 January 2014	96,379	10,574	12,800	-	(2,834)	116,919
Total comprehensive income for the period	-	-	-	-	12	12
Balance at 31 March 2014	96,379	10,574	12,800	-	(2,822)	116,931
Total comprehensive income for the period	-	-	-	-	12	12
Dividend on ordinary shares	-	-	-	-	(7,601)	(7,601)
Balance at 30 June 2014	96,379	10,574	12,800	-	(10,411)	109,342
Balance at 1 January 2013	95,512	10,574	12,800	-	(13,394)	105,492
Total comprehensive income for the period	-	-	-	-	160	160
Issuance of shares	128	-	-	-	-	128
Balance at 31 March 2013	95,640	10,574	12,800	-	(13,234)	105,780
Total comprehensive income for the period	-	-	-	-	303	303
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	645	-	-	-	-	645
Balance at 30 June 2013	96,285	10,574	12,800	-	(25,571)	94,088

1(d)(iii)&(iv) SHARE CAPITAL

There were no shares issued during the period from 1 April 2014 to 30 June 2014.

As at 30 June 2014, there were 73,220,000 (30 June 2013: 73,704,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 30 June 2014, the total number of issued shares was 1,266,942,003 (31 December 2013: 1,266,942,003).

2 AUDIT

These figures have not been audited or reviewed by the auditors.

3 AUDITOR'S REPORT

Not applicable.

4 ACCOUNTING POLICIES

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the financial year ended 31 December 2013, except as disclosed in paragraph 5 below.

5 CHANGES IN ACCOUNTING POLICIES

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these FRS and INT FRS did not have any significant impact on the financial statements of the Group.

6 EARNINGS PER SHARE

Earnings per share for the period based on net profit attributable to shareholders:-

	Group (cents)			
	2Q 2014 30/06/2014	2Q 2013 30/06/2013	Half-year 30/06/2014	Half-year 30/06/2013
(i) Based on weighted average number of shares in issue	(0.42)	0.68	(0.57)	1.59
(ii) On a fully diluted basis	(0.41)	0.66	(0.56)	1.55

The computation of basic earnings per share for 2Q FY2014 is based on the weighted average number of shares of 1,266,942,003 (2Q FY2013: 1,265,166,003) and weighted average number of shares for diluted earnings of 1,287,659,920 (2Q FY2013: 1,301,251,139).

The computation of basic earnings per share for the period ended 1H FY2014 is based on the weighted average number of shares of 1,266,942,003 (1H FY2013: 1,263,950,503) and weighted average number of shares for diluted earnings of 1,287,659,920 (1H FY2013: 1,300,035,639).

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Net asset value per share	23.78	24.98	8.63	9.23

8 REVIEW OF THE PERFORMANCE OF THE GROUP

The Group enjoyed several years of strong performance when it was involved consecutively in a number of iconic projects in Singapore that yielded attractive margins. Since FY2013, regular infrastructural and construction projects undertaken earned lower gross margins, both due to the nature of the projects and increasing competitive pressure.

While outlook and business prospects remain positive, the Group has decided to focus on high yield projects that deliver a certain level of return. The Group, thus will maintain its resources in anticipation of winning more projects in the second half of FY2014.

With the completion of the mega Marina Coastal Expressway ("MCE") contracts at the end of FY2013, the Singapore Sports Hub at the end of 1QFY2014 and no new project secured during the quarter ended June 30, 2014 ("2QFY2014"), Group revenue dropped by 46.5% to \$61.6 million, compared to \$115.1 million in 2QFY2013. However, quarter-on-quarter, Group revenue fell by a lower 14%, from \$71.8 million in 1QFY2014.

Revenue contribution from Specialist Civil Engineering segment decreased by 33.4% year-on-year, from \$44.7 million in 2Q FY2013 to \$29.7 million in 2QFY2014. Quarter-on-quarter, however, revenue from Specialist Civil Engineering improved by 4%, from \$28.5 million in 1QFY2014. The contributions were received from on-going projects, including MRT Downtown Line 2, Downtown Line 3 and the Hong Kong MTR.

Revenue from Structural Steelwork projects recorded a similar year-on-year decrease of 54.9%, from \$70.4 million in 2Q FY2013 to \$31.7 million in 2QFY2014. Quarter-on-quarter, this segment saw a lower decline of 27%, from \$43.3 million in 1QFY2014. South Beach Development, National Art Gallery, Market Street and Marina One were the key contributors to Structural Steelworks revenue in the quarter under review.

Lower margin projects with higher fixed production and project overheads as a result of lower fabrication and erection activities caused the Group to incur a gross loss of \$2.9 million, compared to gross profit of \$22.4 million in 2QFY2013.

General and administrative expenses decreased by \$8.8 million to \$2.6 million in view of a one-off \$5.1 million provision for doubtful debt made in 2QFY2013. Excluding the provision, general and administrative expenses would have decreased by \$3.7 million in 2QFY2014, mainly due to lower general and administrative staff costs. Finance costs increased from \$0.6 million to \$1.1 million in 2QFY2014 due to higher bank interest and charges. Consequently, the Group recorded a net loss of \$5.3 million in 2QFY2014, compared to a profit of \$8.6 million in 2QFY2013.

As a result, the Group registered a loss per share of 0.42 Singapore cent in 2QFY2014, compared to earnings per share of 0.68 Singapore cent in 2QFY2013. Net asset value per share declined marginally by 1.2 Singapore cents, from 24.98 Singapore cents as at 31 December 2013 to 23.78 Singapore cents as at 30 June 2014.

Nonetheless, net gearing remained at a healthy level of 0.59 times as at 30 June 2014, notwithstanding a marginal increase from 0.53 times as at 31 December 2013.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The results are in line with statement made in results announcement for the financial period ended 31 March 2014.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or event that may effect the group in the next reporting period and the next 12 months

The Group expects FY2014 to be challenging as its performance continues to be dependent on securing new contracts in the remaining months of the year. Even if secured, most of these new contracts will start contributing only from the last quarter of FY2014.

Going forward, the Group is further reviewing its project cost management to improve cost efficiencies and putting in place additional checks and balances to ensure better project management and cost effectiveness.

Outlook for infrastructural developments and commercial projects in Singapore and the region remains positive. The Group will continue to use its resources to actively bid for high yield projects in Singapore and in the region.

The Group, together with consortium partners, Changi Airport Planners and Engineers and JGC Corporation had, on 22 April 2014, re-submitted its proposal for the design, construction, operation and maintenance of the Hanthawaddy International Airport in Myanmar.

The Group is also currently in active pursuit of \$1.1 billion worth of new infrastructural and commercial projects in Singapore, Hong Kong, India and the Middle East of which 40%, if awarded, is expected to commence in the last quarter of FY2014.

The Group's order book stood at \$275 million at the end of June 2014.

11 DIVIDEND

(a) Current financial period reported on

None

(b) Corresponding period of the immediately preceding financial year

None

12 If no dividend has been declared / recommended, a statement to the effect

No dividend has been recommended for the period ended 30 June 2014.

13 Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative assurance

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results for the 6 months ended 30 June 2014 to be false or misleading.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 6 August 2014